

Message Text

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ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 TRSE-00 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 DOTE-00 FAA-00 CAB-05 PA-02

PRS-01 USIA-15 /076 R

66607

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EB/IFD/ODF:BGCROWE

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R 042217Z MAR 75

FM SECSTATE WASHDC

TO AMCONSUL MONTREAL

INFO AMEMBASSY OTTAWA

UNCLAS STATE 048345

E.O. 11652: N/A

TAGS: APUB, GA

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO CANADA

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 1,920,000 TO NORDAIR LTD., OF MONTREAL. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, DC FOR AM PAPERS, THURSDAY, MARCH 13, 1975.

QUOTE: EXIMBANK CREDIT OF DOLS 1,920,000 SUPPORTS DOLS 6.4 MILLION SALE OF US JET AIRCRAFT TO CANADIAN AIRLINE

TO HELP FINANCE A DOLS 6.4 MILLION SALE OF ONE BOEING 737-242 JET AIRCRAFT WITH RELATED GOODS AND SERVICES FOR A CANADIAN AIRLINE, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 1,920,000 TO FINANCE 30 PERCENT OF THE TOTAL US COSTS, ACCORDING TO UNCLASSIFIED

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EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. A CREDIT OF DOLS 3,840,000

FROM BANK OF MONTREAL WILL FINANCE 60 PERCENT OF THE TOTAL US COSTS. THE OBLIGOR, NORDAIR LTD., OF MONTREAL, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE US COSTS OF 10 PERCENT OR DOLS 640,000.

ESTABLISHED IN 1947, NORDAIR IS A PRIVATELY OWNED REGIONAL AIR CARRIER AND ONE OF THE FIVE COMPANIES IN CANADA AUTHORIZED TO PROVIDE SCHEDULED PASSENGER AND FREIGHT SERVICES. IT ALSO PERFORMS DOMESTIC AND INTERNATIONAL CHARTER AND CONTRACT OPERATIONS AND IS UNDER CONTRACT WITH THE CANADIAN AND US GOVERNMENT FOR SPECIALIZED SERVICES.

DELIVERY OF THE AIRCRAFT BY THE BOEING COMPANY OF SEATTLE, WASHINGTON, IS EXPECTED IN EARLY 1976.

THE LOANS ARE TO BE REPAYED IN 20 SEMIANNUAL INSTALLMENTS BEGINNING JULY 10, 1976. EXIMBANK'S DIRECT CREDIT OF DOLS 1,920,000 WILL BE REPAYED OUT OF THE LAST 7 INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 9.59 PERCENT TO 9.84 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARANTEED BY THE BANK OF MONTREAL. UNQUOTE KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE048345
Document Source: CORE
Document Unique ID: 00
Drafter: XMB:AMOHANIAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750076-0688
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750383/aaaacwxo.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUN 2003 by SilvaL0>; APPROVED <20 FEB 2004 by CollinP0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK CREDIT TO CANADA FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-
TAGS: APUB, GA
To: MONTREAL
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006